



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
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State of Utah Department of Commerce

FRANCINE GIANI
Executive Director

THAD LEVAR
Deputy Director

September 14, 2006

MEDIA ALERT

"Kiss your money goodbye, three Utah investors lose \$454K in City Lips"
"Order entered against Cosmetics Company for violating Securities Act"
(For immediate release...)

SALT LAKE CITY, Utah – The Division of Securities announced today that an Order to Show Cause has been entered against City Lips Cosmetics, LLC, City Lips Marketing, LLC; along with Jory C. Allen, Chad D. Wright and Frank J. Gillen for offering unlicensed securities to three victims which violated the *Utah Securities Act*.

The Order asks City Lips, LLC, City Lips Marketing, LLC, Jory C. Allen, Chad D. Wright and Frank J. Gillen to cease and desist from any further solicitation of investors or conduct violating the *Utah Securities Act* and requiring a total payment of \$1,700,000 to the Division of Securities.

According to the Order, three investors were approached by City Lips partners to invest a total of \$454,000 in the company. The victims were told that their investments would be used to grow the business, launch new products, increase inventory and take City Lips, LLC public. Investors would receive a 3% return per month on their principal, and two investors were told they would receive a promissory note or contract. The company representatives told the investors City Lips was a "good company" and that it was "financially secure" when they had no documents to back these claims. Gillen failed to tell investors he was investigated by the Securities Exchange Commission in 1997, and by the NASD in 1999 and 2000, resulting in a \$25,000 fine for selling unregistered securities. Gillen's securities license was revoked after he failed to pay the NASD fine. To date, the three investors have only received a small interest payment on their principal and two investors had to sell their home as a result of losing money in City Lips.

Investors are urged to contact the Division of Securities to make sure anyone offering investments is licensed, by calling (801) 530.6600, toll free at 1.800.721.7233 or logging on to www.securities.utah.gov.

For more information contact:

Jennifer Bolton
Public Information Officer
(801) 530-6646 office
(801) 652-8322 cell